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Court Rules U.S. Can Be Sued In Injury Cases

Insurance Firm Wins Right to Ask Payment for Client Hurt on Federal Property

The United States Court of Appeals handed down a decision last week establishing the right of insurance companies to sue the United States government to recover money paid persons injured on or by Federal property. The ruling reversed an earlier decision

by the United States District Court for Eastern New York.

William A. Hyman, attorney for the Aetna Casualty and Surety Company, said the decision "is of momentous importance to the insurance industry, and may result in a flood of litigation against the government." Mr. Hyman said the ruling meant insurance companies could now sue government agencies to recover compensation payments where the companies felt the government or government employees were negligent.

The action arose out of the payment of compensation by Aetna to Peter Vambell, an employee of the Federal Reserve Bank, who was insured Feb. 8, 1945, when a sixty-five-pound sack of coins fell on him at the General Post Office,

Thirty-third Street and Eighth Avenue.

The Aetna Company had been paying compensation and medical claims to Mr. Vambell, and then brought suit against the government for damages of \$20,000, alleging the government employees were negligent. The company's right to sue was upheld by the Court of Appeals.

Ohio Pay-Roll Tax Upheld

1 Per Cent Levy by Cities Passes Its First Major Test

TOLEDO, Nov. 13 (AP).—The city pay-roll income tax—a means adopted by many Ohio cities to bolster sagging municipal finances—withstood its first major Ohio court test here yesterday.

A. V. Baumann held the tax constitutional. The tax is 1 per cent.

In his opinion Judge Baumann said the Ohio Constitution does not prevent a municipality from levying an income tax as part of its self-governing powers.

Toledo was the first Ohio city to adopt the pay-roll income tax. Other cities now collecting income tax include Columbus, Springfield, Youngstown and Portsmouth.

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